

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

USTR PRESS RELEASES ARE AVAILABLE ON THE USTR WEBSITE AT WWW.USTR.GOV.

**FOR IMMEDIATE RELEASE
APRIL 20, 2001**

**01-24
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USTR Reaffirms Environmental Review of Trade Agreements

***Environmental Review of World Trade Organization Negotiations on
Agriculture and Services Initiated***

The Office of the United States Trade Representative (USTR) announced today that the Bush Administration will be conducting written environmental reviews of major trade agreements. The environmental review policy began in 1992 with the first Bush Administration's review of the North American Free Trade Agreement (NAFTA). The review policy was continued on an *ad hoc* basis until 1999, when it was institutionalized by Executive Order 13141 (Environmental Review of Trade Agreements) and implementing guidelines published last year.

As part of the review policy, USTR also announced that it would proceed with an environmental review of the negotiations on agriculture and services currently underway in the World Trade Organization (WTO). A review of the agriculture and services negotiations is discretionary under the Executive Order and guidelines.

The notice initiating the agriculture and services review was sent to the *Federal Register* by the Clinton Administration on January 18, 2001, but publication was delayed as part of the Bush Administration's broad-based consideration of new regulations and policies.

Environmental reviews are an important policy tool for involving the public in the development of the U.S. Government's trade objectives and positions. Reviews also provide negotiators with information concerning potentially significant environmental implications of trade agreements. The implementing guidelines specify that the reviews should begin early enough to be a productive part of the negotiations.

Environmental reviews of the Free Trade Area of the Americas, as well as the Singapore and Chile free trade agreement negotiations, are underway and will be continued by the Bush Administration.

USTR's notice initiating the review of the agriculture and services negotiations and requesting public comment was sent to the *Federal Register* today and is posted on the USTR Web site, www.ustr.gov. USTR is requesting public comment on the scope of the review and when to conduct the analytical work. The public comment period ends on July 27, 2001.

Background

Environmental reviews are a recognized policy tool for involving the public in the development of trade agreements and informing negotiators of the possible environmental implications of trade agreements (both positive and negative) as they are being negotiated. The results of the reviews are circulated to negotiators and policymakers throughout the U.S. Government to help them consider appropriate responses where effects are identified.

The United States prepared the first written environmental review of a major trade agreement (the NAFTA) in 1992, in the midst of negotiations. The United States also prepared a follow-up report on NAFTA-related environmental issues in 1993 and conducted reviews of the Uruguay Round Agreements (1994), the Accelerated Tariff Liberalization initiative in forest products (1999), and the U.S.-Jordan Free Trade Agreement (2000).

Executive Order 13141, issued in November 1999, institutionalizes the use of environmental reviews. USTR and the Council on Environmental Quality issued guidelines to implement the Order in December 2000. The Executive Order and guidelines provide for opportunities for the public to comment on what issues should be addressed in the review (the "scope" of the review) and, in most cases, on a draft review document. A final review document is prepared at the end of negotiations.

Under the Executive Order and guidelines, a review of the agriculture and services negotiations currently underway is discretionary. However, USTR determined that a review was warranted based on the significance of potential positive and negative environmental impacts. U.S. agricultural trade in 2000 was over \$100 billion. U.S. trade in commercial services (*i.e.*, excluding military and government) was \$430 billion in 1999, supporting over 4 million services and manufacturing jobs in the United States.

USTR's *Federal Register* notice initiating the review requests public comment on the scope of the review of the agriculture and services negotiations and on the appropriate timing of the analytical work. The notice provides for a three-month public comment period. While USTR will lead the review of the agriculture and services negotiations, agencies with relevant expertise, including the U.S. Departments of Agriculture, Commerce and Interior, the Environmental Protection Agency, and the International Trade Commission, will conduct most of the analytical work.

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